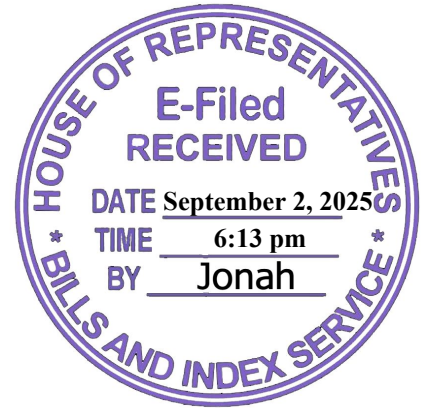




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4299



Introduced by Representative KRISTINE SINGSON-MEEHAN

EXPLANATORY NOTE

The energy sector is the largest source of greenhouse gas emissions, and addressing it is essential for meeting our international commitments under the Paris Agreement and achieving long-term energy security.

This proposed measure, the “Energy Transition Act,” establishes a national policy and framework for a clean and just energy transition. It provides for an Energy Transition Plan (ETP) to guide the country’s shift from fossil-based systems to clean energy sources such as solar, wind, geothermal, ocean energy, hydropower, biomass, and emerging technologies like green hydrogen. The Act also sets national targets that include a moratorium on new fossil fuel power plants, a phase-out schedule for existing fossil-based systems and internal combustion engine vehicles, and the attainment of net-zero emissions in the energy sector by 2050.

To ensure a just transition, the bill mandates the protection of labor rights and investments, as well as retraining and reskilling programs for workers affected by the decline of fossil-fuel industries. It also institutionalizes the role of government agencies, led by the Climate Change Commission (CCC), in harmonizing existing energy, transport, trade, agriculture, and environmental policies with the transition framework.

By passing this measure, the Philippines will not only fulfill its international commitments under the Paris Agreement, but also secure a more resilient, equitable, and sustainable energy future for present and future generation.

In view of the urgency of addressing the climate crisis and safeguarding the country’s energy security, the passage of this bill is earnestly sought.


DEPUTY SPEAKER KRISTINE SINGSON-MEEHAN
2nd DISTRICT ILOCOS SUR



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AN ACT PROVIDING FOR A NATIONAL ENERGY POLICY AND FRAMEWORK FOR A CLEAN AND JUST ENERGY TRANSITION IN THE COUNTRY, AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. - This Act shall be known as the "Energy Transition Act".

Sec. 2. Declaration of Policy. -It is hereby declared the policy of the State to adopt a clean, just, and comprehensive energy transition framework which shall:

- a. Enable the country to meet its international obligations to lower greenhouse gas emissions by reducing usage of fossil-based systems of energy production and consumption;
- b. Provide protection to the environment by accelerating the exploration, development, and utilization of clean energy sources to include, among others, biomass, solar, wind, geothermal, ocean energy, hydropower, green hydrogen, and biofuels;
- c. Ensure energy security in the country as it transitions into clean energy;
- d. Warrant energy equity in the country during the energy transition; and
- e. Afford protection to labor and investments while the country shifts from fossil-based systems of energy production and consumption to clean energy sources.

Sec. 3. Scope. ~ This Act shall establish a framework for introducing and institutionalizing fundamental policies on energy transition, including the promotion of clean energy sources, decrease in the utilization of fossil-based sources of energy, and the delineation of responsibilities among various government agencies in the energy sector.

Sec. 4. Definition of Terms. - As used in this Act, the following terms shall be defined as:

- a. "Clean Energy Sources" refers to technologies, such as electric vehicles and fuel cells, and energy sources, such as renewable energy, that when utilized emits minimal or no GHG;
- b. "Climate Risk" refers to both physical and transition risk arising from climate change;
- c. "Energy Sector" refers to the sector engaged in exploration and production refining and marketing, storage and transportation, and utilization of energy sources such as fossil fuels and renewable energy, whichever is applicable;
- d. "Energy Transition" refers to the global energy sector's shift from fossil-based systems of energy production and consumption to clean energy sources;
- e. "Just Transition" refers to globally recognized principles that should guide the transition to environmentally sustainable economies and societies;
- f. "Net zero emissions" refers to the state of the atmosphere where the GHG emitted are balanced by its removal;
- g. "Physical risk" refers to potential loss or damage to tangible assets arising from climate change or other weather-related conditions such as floods, typhoons, droughts, earthquakes, extreme weather variability, and rising sea levels;
- h. "Renewable Energy" refer to energy resources that do not have an upper limit on the total quantity to be used Include, among others, biomass, solar, wind, geothermal, ocean energy, and hydropower pursuant to the provision of Republic Act No. 9513; and
- i. "Transition risk" refers to the potential economic adjustment cost resulting from policy, legal, technology, and market changes to meet climate change mitigation and adaptation requirements.

Sec. 5. Energy Transition Plan -There shall be an Energy Transition Plan (ETP) which shall provide for a comprehensive framework In the exploration, development, utilization, and distribution of energy sources as well as resilience and upgrading of existing energy infrastructure in support of the country's shift from fossil-based systems of energy production and consumption to clean energy sources guided by the principle of just transition as defined under Section 9 of this Act. The ETP shall be prepared by the Climate Change Commission (CCC), in coordination with the technical working group created under Section 7 of his Act.

The ETP shall:

a. Include the following:

- i. The national targets under Section 6 of this Act,
 - ii. The annual targeted reduction In GHG emissions for the energy sector,
 - iii. Mechanisms to determine compliance with the targets by the energy sector which shall be the monitored by the CCC, and
 - iv. Programs to be implemented by the Department of Energy, Department of Transportation, Department of Trade and Industry, Department of Environment and Natural Resources, and Department of Agriculture, and other relevant agencies to reduce GHG emissions to reach the annual targets;
- b. Take into consideration, and Integrate if applicable, various laws including Republic Act No. 9136, Republic Act No. 9513, Republic Act No. 11285 otherwise known as the Energy Efficiency and

Conservation Act, Republic Act No. 11572 otherwise known as the Philippine Energy Research and Policy Institute Act, Republic Act No. 11646 otherwise known as the Microgrid Systems Act, and Republic Act No. 11697 otherwise known as the Electric Vehicle Industry Development Act;

c. Be harmonized with the existing plans which shall include the National Determined Contribution, Philippine Energy Plan, National Transport Policy, Philippine Development Plan and Health and Pollution Action Plan; and

d. Be updated and submitted to the Office of the President and Congress not later than the 15th of September of every year after approval by the Energy Transition Committee.

Sec. 6. National Targets - The country, through the national government agencies specified in this Act, shall:

a. Implement a moratorium on the following:

i. Establishment of new fossil fuel power plants upon the effectivity of this Act;

ii. Sale of new internal combustion engine vehicles within the timeframe to be determined by the Energy Transition Plan;

b. Implement a phase out of the following:

i. Existing fossil fuel power plants within the timeframe to be determined by the Energy Transition Plan;

ii. Existing internal combustion engine vehicles within the timeframe to be determined by the Energy Transition Plan;

c. Increase the share of clean energy sources in the energy mix of the country while taking into account the moratorium of new fossil fuel power plants and phase out of existing fossil fuel power plants;

d. Reduce GHG emissions in accordance with the country's National Determined Contribution (NDC) and achieve net zero emissions in the energy sector by 2050;

Sec. 7. Role of Government Agencies - In addition to their current responsibilities and functions under the existing laws, the following government agencies shall exercise responsibilities and functions as enumerated hereunder:

a. Climate Change Commission (CCC) - The CCC shall:

i. Serve as the lead agency in the implementation of this Act,

ii. Convene a technical working group (TWG), within thirty (30) calendar days from the effectivity of this Act, comprised of the following:

1. Secretary of CCC as the Chairperson,

2. Secretary of Department of Energy (DOE) as the Vice-Chairperson,

3. Secretary of Department of Finance (DOF),

4. Secretary of Department of Transportation (DOTR),

5. Secretary of Department of Environment and Natural Resources (DENR),

6. Secretary of Department of Trade and Industry (DTI),

7. Secretary of Department of Agriculture (DA),

8. Chairperson of the Energy Regulatory Commission (ERC), and

9. Chairperson of the Securities and Exchange Commission (SEC).

The members can appoint their permanent representatives to the TWG. The CCC shall serve as the TWG's secretariat. The TWG shall:

1. Evaluate and approve the FTP,
2. Monitor, review, and provide strategic direction In the implementation of the ETP and of this Act,
3. Coordinate with various national government agencies, government-owned and controlled corporations, local government units, and private stakeholders to ensure the timely implementation of the ETP,
4. Provide for a forum for feedback and recommendations on the implementation of the ETP, and
5. Perform such other functions, as may be necessary, to attain the objectives of this Act,

iii. Formulate the ETP, upon consultation with relevant public and private stakeholders.

iv. Monitor, in coordination with the members of the TWG, the implementation of the ETP, and

v. Compile all the GHG emissions report of the various sectors identified in this Act and determine its compliance with the targets set out in the ETP;

b. Department of Energy (DOE) - The DOE shall:

- i. Assist the CCC in the implementation of the ETP ,
- ii. Formulate, implement, enforce, and monitor programs in the energy sector towards the Implementation and accomplishment of the targets set out in the ETP, and ensure a just transition in the sector,
- iii. Monitor and prepare an annual report on the GHG emissions of the energy sector in accordance with the targets set out In the ETP, and
- iv. Submit annually the GHG emissions report of the energy sector to the CCC;

c. Department of Labor and Employment (DOLE) - The DOLE shall, in coordination with the DOE, ensure the protection of rights of the employees under the labor sector affected by the implementation of the ETP. It shall also undertake training programs, together with the Technical Education and Skills Development Authority, for affected employees by the implementation of the ETP to allow them to find gainful employment In other sectors;

d. Department of Finance (DOF) - The DOF, shall:

- i. Determine, upon consultation with the CCC, other members of the TWG, and other relevant public and private stakeholders, the prioritization of programs for the implementation of the ETP to be funded through the Energy Transition Fund, and
- ii. Provide for mechanisms to assist companies to access green financing;

e. Department of Environment and Natural Resources (DENR) - The DENR shall, in coordination with the CCC and other concerned agencies, establish the guidelines for the determination of the amount of GHG emissions attributed to various sources;

f. Department of Transportation (DOTr) - The DOTr shall:

- i. Assist the CCC in the implementation of the ETP in the transport sector,
- ii. Formulate, implement, enforce, and monitor programs In the transport sector towards the implementation and accomplishment of the targets set out in the ETP while ensuring a just transition for public utility vehicles,
- iii. Monitor and prepare an annual report on the GHG emissions of the transport sector in accordance with the targets set out in the ETP, and
- iv. Submit annually the GHG emissions report of the transport sector to the CCC;

g. Department of Agriculture (DA) - The DA shall:

- i. Assist the CCC in the implementation of the ETP In the agriculture, fisheries, and forestry (AFF) sector,
- ii. Formulate, implement, enforce, and monitor programs in the AFF sector towards the implementation and accomplishment of the targets set out in the ETP while ensuring a just transition for the sector.
- iii. Monitor and prepare an annual report on the GHG emissions of the AFF sector in accordance with the targets set out in the ETP, and Submit annually the GHG emissions report of the AFF sector to the CCC;

h. Department of Trade and Industry - The DA shall:

- i. Assist the CCC in the Implementation of the ETP in the industry sector,
- ii. Formulate, Implement, enforce, and monitor programs in the industry sector towards the implementation and accomplishment of the targets set out in the ETP while ensuring a just transition for the sector,
- iii. Monitor and prepare an annual report on the GHG emissions of the industry sector in accordance with the targets set out in the ETP, and
- iv. Submit annually the GHG emissions report of the industry sector to the CCC;

i. Energy Regulatory Commission (ERC) - The ERC shall enact regulations to support the implementation of the national targets pursuant to Section 6 of this Act and the ETP.

Sec. 8. Mandatory Disclosure - The SEC shall make it mandatory for listed companies to disclose climate risks as the country shift from fossil fuels to clean energy sources.

Sec. 9. Just Transition - Under the principle of just transition, the TWG, In approving the ETP and its implementation, shall ensure a fair and inclusive energy transition by minimizing its negative impacts to communities that are reliant on fossil-based system of production and utilization. This shall include labor programs which includes conduct of trainings for employees that are under fossil-based system of production and utilization industries prior the implementation of this Act to

ensure their continuous employment, If practicable, and to protect their rights and benefits in accordance with the existing labor laws and rules and regulations.

Sec. 10. Application of Incentives under RA 9513 or Renewable Energy Act of 2008 and RA 11285 or the Energy Efficiency and Conservation Act - Projects for the implementation of the ETP under this Act shall be entitled to the Incentives under RA 9513 and RA 11285.

Sec. 11. Prohibited Acts -The following acts are prohibited:

a. For natural or juridical entities:

i. Failure to disclose climate risks under Section 8 of this Act,

ii. Violation of any provision of this Act, its implementing rules and regulations, and other issuances promulgated in accordance with this Act.

b. For government agencies: Failure to comply with their responsibilities and comply with the time frames under this Act.

Sec. 12. Fines and Penalties - Without prejudice to civil and criminal liability, the following administrative penalties shall be imposed upon the following for every prohibited act enumerated below:

a. Section 11(a):

i. First Offense: A fine ranging from Fifty thousand pesos (P50,000.00) to Five hundred thousand pesos (P500,000.00),

ii. Second Offense: A fine ranging from Five hundred thousand pesos (P500,000.00) to One million pesos (P1,000,000.00) and revocation of permits.

b. Section 11(b):

i. First offense: six (6) months suspension,

ii. Second offense: Dismissal from service.

Sec. 13. Energy Transition Fund- A Special Account in the General Fund (SAGF) for energy transition, which shall be maintained and managed by the Bureau of Treasury, shall be established to support the programs for energy transition and the implementation of the ETP. The SAGF for energy transition shall recognize and accept grants, contributions, and donations for energy transition, for the implementation of the ETP and its relevant programs.

Sec. 14. Appropriations - There is hereby appropriated out of the General Appropriations Act, the sum of One Hundred Million Pesos (P100,000,000.00) for the initial Energy Transition Fund. Thereafter, such amounts necessary for the sustainable implementation of the ETP and its relevant programs shall be appropriated from the General Appropriations Act.

Sec. 15. Implementing Rules and Regulations - The CCC shall, in consultation with TWG and other public and private stakeholders, promulgate the Implementing Rules and Regulation of this Act within ninety (90) calendar days from Its effectivity.

Sec. 16. Oversight Committee. - Upon the effectivity of this Act, the Joint Congressional Energy Commission established under Republic Act No. 9136 and renamed under Republic Act No. 11285, shall exercise oversight powers over the implementation of this Act.

Sec. 17. Repealing Clause. — All laws, presidential decrees, executive orders, and rules and regulations, or parts thereof. Inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 18. Separability Clause. - If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

Sec. 19. Effectivity Clause. - This Act shall take effect after Its complete publication in the *Official Gazette* or in a newspaper of general .circulation

Approved,